

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Tourism - Providing assistance to AP Tourism Development Corporation Limited in relation to the bifurcation of assets and liabilities and preparation of Organogram – Appointment of M/s. KPMG India Private Limited, Hyderabad as Consultant, APTDC – Orders - Issued

YOUTH ADVANCEMENT, TOURISM AND CULTURE (T) DEPARTMENT

G.O.Rt.No. 407

Date: 02-05-2014

Read the following:

- 1) M/s. KPMG India Private Limited, Letter dt. 23.04.2014
- 2) M/s. KPMG India Private Limited Letter dt. 25.04.2014
- 3) Government Memo. No. 10411/SR/A1/2014, Dated: 29-04-2014 of GA (SR) Department, Government of A.P.

ORDER

In order to meet the requirements of Andhra Pradesh Re-Organization Act 2014 provisions, AP Tourism Development Corporation Limited (APTDC) has to complete the process of:

- A) Separation of Assets and Liabilities.
- B) Organogram / Organization Structure and prepare a
- C) Demerger Plan.

2. M/s. KPMG India Private Limited, Hyderabad have submitted a proposal who are already providing assistance on the above items for Government organizations like AP. Genco, A.P. State Warehousing Corporation & AP Housing Corporation giving their scope of work and quoted an amount of Rs. 13.00 Lakhs + taxes as professional fees and out of the pocket expenses such as airfare, Hotel, Accommodation, Local Travel, Conveyance, Communication costs and food vide reference 1st read above.

3. The agreed scope of work and payment terms are as follows:

The demerger plan of APTDC will follow the guidelines laid out in AP Reorganization Act 2014 and the guidelines issued by the Committees from time to time.

1. **Separation of Assets and Liabilities :** KPMG will assist APTDC in high level review of separation of assets and liabilities and providing professional inputs in carrying out the segregation of assets and liabilities as per the proposal prepared by APTDC / internal auditors.
2. **Organogram / Organization Structure :** KPMG will assist in preparing the Organogram / organization structure for the demerged entities, covering all organization levels by division, grade and location and capture gaps if any.
3. **Demerger Plan :** KPMG will assist in preparation of demerger plan as per the guidelines of State Reorganisation Committee and Apex Committee or any competent authority, including identification of key aspects requiring attention for approval by Board of Directors and shareholders.

KPMG will assist in coordinating the changes / modifications suggested by Board of Directors and prepare a final demerger plan for submission to Government.

KPMG will assist APTDC with registering a new corporation for the State of Telangana as per the procedures laid out in Government order 3rd read above.

p.t.o.

KPMG will also flag issues that need the attention of APTDC for seamless transition and operation of all activities on the appointed day i.e. 2nd June 2014.

Any other work incidental or in relation to the above tasks as required and requested by APTDC.

KPMG will submit regular updates to Vice Chairman & Managing Director, APTDC on the progress of the assignment.

Payment terms:

1. 50% on the issue of work order.
 2. 25% on preparation of draft demerger plan and presentation to the Board of APTDC
 3. Balance 25% on finalization of demerger plan and acceptance by State Reorganization Committee / Competent Authority.
4. The Special Chief Secretary, Tourism and representatives of KPMG in a joint meeting with APTDC officials on 24-04-2014 discussed the proposal in detail and it was agreed that the Corporation certainly needs the expert assistance of KPMG to carry out the bifurcation works of APTDC including overseeing the separation of Assets & Liabilities, Orgonagram / Organizational Structure and preparing a de-merger plan.
5. After detailed discussions, the representatives of KPMG were informed to submit a revised quotation reducing the amount. In the reference 2nd read above KPMG has submitted revised proposal with professional fee for an amount of Rs.10.00 lakhs but kept the out of pocket expenses request intact. The Special Chief Secretary has decided to keep the professional fee at Rs. 10 Lakhs all inclusive + applicable taxes.
6. Government after careful examination of the proposal hereby appoint M/s KPMG India Private Limited, Hyderabad as consultants to APTDC with the scope of work as mentioned in para 3 above. The Vice Chairman and Managing Director, AP Tourism Development Corporation, shall meet the professional fees of Rs. 10.00 Lakhs + Taxes for KPMG from internal resources of APTDC. In addition, Vice Chairman & Managing Director, APTDC is also instructed to provide necessary office space and identify three senior officers from Finance, Administration and Legal divisions as single point of contacts for providing required information to KPMG in time.
7. The Vice Chairman & Managing Director, AP Tourism Development Corporation shall take action accordingly and send a compliance report to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**CHANDANA KHAN
SPECIAL CHIEF SECRETARY TO GOVERNMENT**

To
M/s. KPMG India Private Limited, Hyderabad.
The Vice Chairman and Managing Director, AP Tourism Development Corporation,
Hyderabad

Copy to:

PS to Chief Secretary to Government of A.P.
The Special Chief Secretary (Planning) & Chairperson APEX Committee State Re-organization, 2014

// Forwarded : : By Order //

SECTION OFFICER